



THE WHITE PAPER

Your Guide to Life Planning

December 2014



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Women: Make a Financial Plan -- the Secret of Your Success

Financial planning is more than just a good idea. Research has consistently shown that people who have financial plans -- and who work with financial advisors -- save and invest far more and are nearly twice as likely to feel on track or ahead of schedule in preparing for major financial goals, such as retirement.¹

While having a financial plan is important for everyone, it is especially so for women. The gender wage gap, longer life expectancies, and potential retirement funding shortfalls are just a few of the factors that underscore women's need to plan ahead.

Defining Priorities

The first and most important step in the planning process is defining your life priorities -- and then setting financial goals to support them. Once goals are set, you'll need to evaluate your current financial situation in terms of cash flow and budgeting, assets and debts, and then develop a realistic investment strategy for meeting your goals. This strategy should be based on your personal circumstances, including your risk tolerance and investment time horizon.

Asset Allocation Is Key²

Your asset allocation -- or the way you divide your investments among stocks, fixed-income securities, and cash -- plays a pivotal role in your financial plan, because the investment decisions you make over time will have a direct effect on your ability to meet your goals.

If, for instance, your primary goal is retirement, a significant portion of your portfolio should be in investments with the potential to grow over time, such as stocks or diversified stock mutual funds, ideally through tax-sheltered retirement accounts.^{3,4} If buying a vacation home is a shorter-term goal, consider including taxable -- but more liquid -- growth-oriented elements in your investment mix.

Financial planning is an ongoing process. That's why you'll need to monitor your investments regularly and make adjustments as needed to reflect changes in your life, the economy, or the stock market.

Other Planning Considerations

In addition to managing your investments, consider other financial needs, such as insurance. Life insurance, which helps provide financial security in the event of a spouse's death,⁵ and long-term care insurance, which protects individuals with disabilities or chronic health conditions from the high cost of long-term care, are both important considerations for women.

Finally, no financial plan is complete without an estate plan. Estate planning helps ensure your assets are distributed according to your wishes after your death. At a minimum, your estate plan should include an up-to-date will, a durable power of attorney, a living will and possibly trusts, which may help minimize your estate's tax liability.

If you are ready to start planning for your financial future, contact a financial advisor. Together you can evaluate your current situation, create a plan, and keep it on track as circumstances in your life change.

¹Insured Retirement Institute, news release, "Investors Better Prepared for Retirement, Still Lacking Financial Knowledge," August 19, 2014.

²Asset allocation does not assure a profit or protect against a loss.

³Investing in stocks involves risks, including loss of principal.

⁴Investing in mutual funds involves risk, including loss of principal. Mutual funds are offered and sold by

prospectus only. You should carefully consider the investment objectives, risks, expenses and charges of the investment company before you invest. For more complete information about any mutual fund, including risks, charges and expenses, please contact your financial professional to obtain a prospectus. The prospectus contains this and other information. Read it carefully before you invest.

⁵Life insurance policies are subject to substantial fees and charges. Death benefit guarantees are subject to the claims-paying ability of the issuing life insurance company. Loans will reduce the policy's death benefit and cash surrender value, and have tax consequences if the policy lapses.

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